

Idaho Legislative Audits  
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Idaho Food Quality Assurance Institute

Audit Report

Issued: March 15, 2004  
Fiscal Year: 2003



## EXECUTIVE SUMMARY LEGISLATIVE AUDITS

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### IDAHO FOOD QUALITY ASSURANCE INSTITUTE

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**PURPOSE AND SCOPE.** We have audited the financial statements of the Idaho Food Quality Assurance Institute for the fiscal year ended June 30, 2003, in accordance with auditing standards generally accepted in the United States of America. The purpose of our audit is to determine if the Institute's financial statements are materially accurate and reliable, and that the Institute complied with laws and regulations affecting fiscal operations.

**CONCLUSION.** We conclude that the Institute's financial statements are materially accurate and reliable, and fiscal operations materially comply with related laws and regulations. As a result, we issued an unqualified opinion on the Institute's financial statements.

**FINDINGS AND RECOMMENDATIONS.** There are no findings and recommendations in this report, nor were there any findings and recommendations in the prior report.

**AGENCY RESPONSE.** The management of the Idaho Food Quality Assurance Institute has reviewed the report and is in general agreement with its contents.

**FINANCIAL SUMMARY.** The Institute is funded primarily by a service agreement with the Idaho Potato Commission to provide residue analysis for potato samples and certification of results for each sample analyzed. The Institute also receives fees for performing food quality assurance services for other groups and organizations. In fiscal year 2003, the Institute received a State General Fund appropriation of \$92,000. A summary of the financial activity for fiscal year 2003 follows:

## IDAHO FOOD QUALITY ASSURANCE INSTITUTE - FINANCIAL SUMMARY

### Statement of Net Assets

	Enterprise Fund
ASSETS	
Cash and Cash Equivalents	\$107,431
Receivables	6,920
Capital Assets, Net of Accumulated Depreciation	<u>7,500</u>
Total Assets	<u>\$121,851</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$819
Payroll and Benefits Payable	12,270
Compensated Absences	<u>7,173</u>
Total Liabilities	<u>\$20,262</u>
NET ASSETS	
Invested in Capital Assets	\$7,500
Unrestricted	<u>94,089</u>
Total Net Assets	<u>\$101,589</u>
Total Liabilities and Net Assets	<u>\$121,851</u>

### Statement of Revenues, Expenses, and Changes in Net Assets

	Enterprise Fund
OPERATING REVENUES	
Service Agreements	\$200,000
Analysis Fees	<u>46,349</u>
Total Operating Revenues	<u>\$246,349</u>
OPERATING EXPENSES	
Personnel Costs	\$213,949
Laboratory Expenses	61,878
Bank Fees	1,817
Travel	4,074
Audit	3,000
Depreciation Expense	<u>6,001</u>
Total Operating Expenses	<u>\$290,719</u>
Operating Income (Loss)	(\$44,370)
NON-OPERATING REVENUES	
General Fund Appropriation	92,000
Interest Revenue	<u>1,643</u>
Total Non-Operating Revenues	<u>\$93,643</u>
Increase (Decrease) in Net Assets	\$49,273
Beginning Net Assets	<u>52,316</u>
Ending Net Assets	<u>\$101,589</u>

**OTHER ISSUES.** We discussed other less important issues which, if changed, would improve internal control, ensure compliance, or improve efficiency.

This report is intended solely for the information and use of the Idaho Food Quality Assurance Institute and the Idaho Legislature and is not intended to be, and should not be, used by anyone other than these specified parties.

We thank the Institute's staff for their assistance and cooperation given to us during this audit.

**QUESTIONS CONCERNING THIS AUDIT SHOULD BE DIRECTED TO:**

Ray Ineck, CGFM, Supervisor, Legislative Audits

Thomas Haddock, CPA, CGFM, Managing Auditor

Report OP99703

<p>For a copy of the entire audit report , contact Legislative Services Office, Audit Division, State Capitol Building, 700 W. Jefferson Street, P.O. Box 83720, Boise, Idaho 83720-0054, or call 208-334-3540.</p>
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